

SUMMARY OF CONTRACT REQUEST TO THE HEALTH COMMISSION

Contractor	<u>Omnicell, Inc.</u>	Division/Section	<u>SFDPH / SFHN</u> ^{DS}	<u>RP</u>	
Address	<u>590 E Middlefield Rd.</u>	Deputy Director	<u>Roland Pickens</u>		<u>08/24/2022</u>
	<u>Mountain View, CA 94043</u>	DPH Administrator	<u>David Smith</u>		<u>08/24/2022</u>
Contact	<u>Jim Lipkowski</u>	Program Administrator	<u>Michelle Fouts</u>	Phone	<u>628-217-9983</u>
	<u>James.lipkowski@omnicell.com</u>	Contract Analyst	<u>Jonathan Lyens</u>	Phone	<u>415-554-2886</u>
			<u>Lilly Nguyen</u>	Phone	<u>415-554-2832</u>

Request for approval of a new contract with Omnicell, Inc. to buy previously leased pharmacy equipment, associated licenses, and support and professional services from the contractor. The total proposed contract amount is \$3,334,120 for the term of June 30, 2022 through June 30, 2027 (5 years).

Profit Non-Profit LBE RFP-Number: _____ Date: _____

_____ New _____ Renewal _____ Mod GPO

Number of years DPH has been doing business with this organization: 20+ years

<u>CONTRACT INFORMATION:</u>	<u>Prior Transaction</u>	<u>Proposed Transaction</u>	<u>Annualized Difference*</u>
	<i>See Note*</i>	06/30/22-06/30/27	
Funding Sources:			
General Fund	-\$0-	\$3,334,120	\$3,334,120
TOTAL DPH REVENUES	-\$0-	\$3,334,120	\$3,334,120
12% Contingency Amount	-\$0-	\$0	\$0
CONTRACT TOTAL	-\$0-	\$3,334,120	\$3,334,120
<i>ANNUAL AMOUNT OF CONTRACT (estimate)</i>			
Agency Funds	-\$0-	\$0	\$0
Contract FTE	N/A	N/A	N/A

Note: The prior contracts consisted of separate agreements for leasing, and equipment maintenance services. Those contracts have ended and the buyout amount for the equipment is the fair market value of the equipment along with ongoing maintenance services. The ending value of the lease agreement was \$9,881,201 and the prior maintenance agreement was \$2,169,510.

PROPOSED:

Mode(s) of Service & Unit of Service Definition	No. Of Clients	No. of Units	Cost
UOS = One-Time Purchase amount or Annual Support fee			
	N/A Duplicated		
	N/A Unduplicated		
One time Equipment purchase LHH	N/A		\$104,748
One time Equipment purchase ZSFG	N/A		\$2,503,134
Annual support services – LHH	N/A		\$44,340
Annual support services – ZSFG	N/A		\$453,012

Explanation of Service Change and Variances:

This is a new contract.

Monitoring Report/Program Review & Follow-up:

The contract will be monitored in accordance with all applicable Departmental procedures through the San Francisco Health Network Pharmacy Department.

Nondiscrimination and Cultural Competency:

The Contractor will participate in applicable cultural competency requirements.

Other Significant Issues:

Omnicell, Inc. provides medication management, dispensing and storage of pharmaceuticals through highly specialized pharmacy cabinets, packagers, and pharmaceutical carousels. The items are part of an integrated pharmacy automation and management system in use at Zuckerberg San Francisco General Hospital (ZSFG) and Laguna Honda Hospital (LHH) of the San Francisco Health Network. This contract will allow the Department to buy, the current pharmacy cabinets, packagers, and pharmaceutical carousels to maintain day to day operations and existing levels of service of service while the network transitions to new Omnicell equipment.

Omnicell, Inc. (“Omnicell” or the “Company”) is a publicly traded corporation. The Company is incorporated in the state of Delaware. Through the vision of the autonomous pharmacy, a combination of automation, intelligence, and technology-enabled services, powered by a cloud data platform, Omnicell supports more efficient ways to manage medications across all care settings. Healthcare facilities worldwide use Omnicell automation and analytics solutions to help increase operational efficiency, reduce medication errors, deliver actionable intelligence, and improve patient safety.

Omnicell, Inc. was selected under the authority of Section 21A.2 of the Administrative Code through the Department’s membership in the Group Purchasing Organization (GPO), Vizient, which was formerly known as University Health Systems Consortium and the University Health Systems Consortium Services Corporation Purchasing Program (Novation).

Listing of Board of Directors, Owners of 10% or More of the Firm, and Executive Director

Chief Executive Officer, President, Founder: Randall Lipps

- | | |
|---------------------------|--------------------------|
| Joanne B. Bauer, Director | Bruce E. Scott, Director |
| Edward P. Bousa, Director | Robin G. Seim, Director |
| James T. Judson, Director | Bruce D. Smith, Director |
| Vance B. Moore, Director | Sara J. White, Director |
| Mark W. Parrish, Director | |

Owners of 10% or more of the Firm:

The following companies have more than 10% of the Company’s common stock:

Name of Company	Percent of Ownership
BlackRock, Inc.	15.77%
The Vanguard Group, Inc.	10.70%

The vendor has 9 board members. Board members serve a term of 3 years. There are no vacancies and there are term limits for non-management board members.

Recommendation: The Department recommends approval of this contract.